

February 22, 2021

The Honorable Dereck E. Davis 231 House Office Building 6 Bladen Street Annapolis, MD 21401

RE: Opposition to House Bill 747 and House Bill 1235

Dear Chair Davis, Vice-Chair Dumais, Delegate Brooks and Committee Members,

I am writing to voice my opposition to HB787 and HB1235 as they are currently written.

As the Vice President of the France-Merrick Performing Arts Center in Baltimore, home of the historic Hippodrome Theatre, I am intimately familiar with the world of ticketing for live events and have spent my entire career focused on creating superior customer experiences. Ticket buyers directly support the artistic and cultural institutions in our state and it is important to protect the consumer and, by extension, the institutions they choose to support with their dollars. These bills, in their current form however, would do the exact opposite of protecting consumers, arts supporters, arts creators, and the dedicated professionals who manage our very special arts spaces in Maryland.

These bills would strip venues of their authority and frankly, their right, to have contractual agreements with primary ticket sellers, would allow third-party imposters to unfairly represent themselves to consumers as the venue and/or artist in their web domains. They would also restrict venues and artists from prohibiting resale or transfer of a ticket to someone other than the original ticket buyer. Quite simply, this bill would be disastrous to the entire sports and entertainment industry at-large in Maryland and make Maryland a less desirable place for national touring acts to visit.

As it relates to consumer protection, I would like to illustrate an example of a real-life situation that I, along with hundreds of my colleagues, have experienced time and time again in our careers. Prior to a performance, as ticket-holders are entering the venue, an usher comes to the floor manager saying that two people (the "Smith" family) have arrived with tickets for admission, but there are already people sitting in the seats identified on the tickets. The people in the seats (the "Jones" party) also have the same tickets; same date, time, and event. The box office manager logs into the venue's primary ticketing system to lookup the account only to find that neither Smith nor Jones is the name on the account, but rather a third-party with an address in Connecticut. While it is not unthinkable that someone from Connecticut would see a show in Baltimore, we know from experience that this is a third-party seller; a broker. The broker bought the tickets, intentionally or unintentionally sold them twice – at an outrageous markup – and now has left it to the venue to resolve the issue. Unfortunately, as the venue we cannot correct the issue because we lost control of the sale the moment the third-party reseller took possession of the tickets. So we have to send one party away, very unhappy and only able to tell them to

return to their point of purchase. Of course, the venue always suffers the backlash because third-party sellers try to imitate the venue and/or act in their marketing by top-posting and spending thousands of dollars in digital advertising to deceive the consumer. This is an all too common real-life occurrence and certainly one of the most menacing practices that harms the consumer, the artists, and the venue. This bill would encourage and further legitimize this kind of predatory behavior in the marketplace.

The passage of these bills would also do unthinkable damage to our ability to properly secure our facilities. Over the last 20 years, as places of public assembly have become high profile settings for those who wish to do harm it has become not only clear, but expected, that venue operators know who is buying tickets for admission to their venues and that those who bought the tickets are the ones also entering the building. By having control over the distribution of tickets, we have that control. This will also become even more important in the current era when contact tracing is imperative to public health. But if we are stripped of this fundamental authority of operating a venues, then we lose significant influence on public safety.

If these bills are passed in their current form, predatory and misleading practices like this will only worsen and finding the official, legitimate place to purchase a ticket to a live event will become burdensome to the consumer. The venues are charged with managing these spaces of public assembly and have a moral and legal obligation to provide for the public safety. Why, then, would this bill seek to strip us of our ability to control the commodity that gives us that ability in the first place – the control of the ticket? Third-party ticket sellers have no investment in our venues and audiences, have no risk, and pay no sales tax back to Maryland. They should not reap rewards through price gouging and the restriction of the primary ticket seller.

With 21 years of experience in ticketing and venue management, I have always striven for the best customer experience possible, providing access, affordability, equity, and communication. I applaud the support for consumer protections, but these bills would do the very opposite of that noble intention.

Respectfully,

Christopher Mahan Vice President